

## Salem Signature Parks Frequently Asked Questions

### Projects

- **Why are we doing these projects now?**

These are all necessary improvements to existing facilities that are identified in larger capital plans or studies. Each of these facilities needs capital investment to ensure its use and enjoyment over the next few decades. Over the years, our parks have seen increased use and, as a result, increased needs. These parks are much loved but need important upgrades to ensure they are around for future generations to enjoy. Authorizing these funds will allow the six signature parks projects to advance on a timetable that will enable them to be completed by 2026, Salem's 400<sup>th</sup> anniversary. Interest rates are at historic lows and the City's bond rating is at its strongest, meaning these funds can be borrowed now at far less cost than they may be in the future, especially as deferred construction costs will only increase with time.

- **Are we only doing these because the City hasn't invested in maintenance of these parks?**

No, all these parks have enjoyed both regular maintenance and smaller capital investments in the past. These projects are not a replacement for those routine more routine efforts but are rather instead major upgrades intended to address larger needs including accessibility, climate change resiliency, historic preservation, and other major improvements that will extend their lifespans substantially. In this case, these are large capital investments needed because the park infrastructure is beyond its useful life or close to it, regardless of the level of past maintenance. All of the projects are designed to support ongoing maintenance in the future, to ensure these improvements are able to be enjoyed by Salem residents for decades to come.

- **Are the improvements for these parks already designed? Who decided what went into them?**

In some of these cases, the projects have been designed over the past few years through public, transparent processes that involved stakeholder groups that consisted of park users, City officials, neighborhood associations, and others. In the typical process, design concepts were developed through a public input and engagement process that relied on those community stakeholders to provide feedback to a project consultant. The designed plans are then turned into engineering and construction drawings, which are then subsequently bid for construction, based on the availability of funding, which this effort would provide. Each project is in various phases of this process.

- Forest River Park is designed and in final construction document stage.
- The larger project at Willows is in final design stage, but other smaller improvements, such as additional paths, building improvements, etc. have just been identified but not prioritized or designed.
- On the Common, the bandstand and fence components of the project are designed and only need final design and construction documents. Other improvements that are considered such as walkways, landscaping, curb cuts, playground work, and others have been identified, but not designed.

- For Pioneer Village/Camp Naumkeag, a feasibility study has been completed and the initial study/design started this Fall.
  - The Palmer Cove Park design process is completed, and construction of Phase 1 is close to ready to commence.
  - With Winter Island, studies have identified potential improvements, but no design has started.
- **When will the projects be completed?**
    - Forest River Park - Summer 2021
    - Willows – Hill area, parking, and tennis courts – Summer 2021 (some plantings will require another season). Other improvements (accessible upgrades to buildings, tree plantings, path restoration, other improvements) will be ongoing through 2025.
    - Palmer Cove – Phase 1 (community gardens, harbor walk, basketball court) in 2022, Phase 2 (placemaking) in 2023, and Phase 3 (athletics fields, walkways and entry points) in 2025.
    - Common - Bandstand Phase 2 restoration including windows, masonry, electrical, etc. - Spring 2022. Next phase of fence – 2024-2025. Other landscape and hardscape improvements – ongoing through 2025.
    - Pioneer Village - Site layout and plantings and moving or rebuilding existing Pioneer Village structures – Summer 2022. Phase 2: New Visitor Center – Spring 2026.
    - Winter Island - Start work in 2022 and finish work by Summer 2026. The phasing would depend upon the priority of elements within the overall project.
- **Will these projects include accessibility upgrades? Climate change resiliency?**  
Yes, each project was intentionally designed to address accessibility problems at the parks, many of which were identified through the City’s ADA Transition Plan, but others that were found before that plan was conducted. They also include climate resiliency and flood inundation measures, which are essential and required as many of these projects are coastal or close to the shore.
- **Do the projects include plans for ongoing maintenance and operations?**  
Yes, the project plans include opportunities for sustainable revenue generation that can be used to provide ongoing funding for maintenance and operations. In addition, with the completion of each project, the City’s Capital Projects team will ensure a maintenance plan and schedule is provided to the responsible department, incorporated into the City’s capital assets management system, and accounted for in future budgets.

## **Financing**

- **How much does this add to our City’s debt? Do we have existing debt coming off the books?**  
This bond authorization is for \$16.1 million over 28 years. Since this initiative is a multi-year project, the \$16.1 million will not be borrowed at the outset of the authorization, but in increments over six years. The total debt with interest, is projected to be approximately

\$25.4 million through FY2056. This borrowing will add approximately \$900,000 per year to the annual debt payment schedule, but the existing annual debt payments will decrease by approximately \$2.4 million by the end of FY2027.

- **How much will those debt payments increase my tax bill?**

It's impossible to estimate precisely how this debt will impact individual taxpayers for a few reasons. First, it's possible that the park-generated revenues will also help offset the bond costs to some extent. In those cases, users will help fund some of the debt, reducing the burden on taxpayers. Second, because taxes reflect home values as well as the cost of government, and it's not possible to predict what future values may be, it's likewise not possible to estimate what a future tax bill might be. In all, Salem has reduced the total share of the City budget that is its annual debt payment by one-third since 2006, however.

- **Are there any non-tax revenues that can be used to pay the debt?**

Yes, it's possible that park-generated revenues may be able to be used toward the debt payments for these bonds. Those revenues might include parking fees, pool memberships, room rentals, gift shop and ticket revenues, and more.

- **Why not wait until the economy has improved and the City budget is in a better position before taking this on?**

Salem has the best bond rating in its history now, and interest rates are at a near record low. Taken together, that means the City can borrow money now at possibly the lowest cost than it ever will again for quite some time. When that is combined with the fact that construction costs escalate over time and the City's annual debt payments of existing debt over the next six years will be reduced by \$2.4 million, it makes it apparent that now is an opportune and financially responsible time to take on this work.

- **What happens if costs increase and the bonds aren't enough to pay for the projects to be finished?**

The intention for each project is to bring in additional funding through grants and even private donations to meet some of the anticipated costs. Most of the projects are designed to be scalable, so costs can be reduced by forgoing certain improvements if costs increase dramatically or if other revenue sources are not able to be secured. In addition, in the future, if the cost of any of project increases, future City Councils could act to increase the bond authorization.